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Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR

FROM : Edw. A. Tamm

SUBJECT:

DATE:

August 12, 1946

As a result of an appointment made by the Attorney General, I called upon Admiral Leahy at the White House this morning. Admiral Leahy stated that the Attorney General had advised him that he "should be conversant with the Bureau's position and problems in connection with the transfer of Latin American intelligence to the CIG and Admiral Leahy indicated that he would appreciate being advised as to the Bureau's position in this situation. I advised Admiral Leahy that when the Attorney General had indicated to me that he would arrange an appointment with the Admiral, I had advised you of the Attorney General's desires and that in outlining the facts in this situation, I was expressing your views and observations which you had outlined to me for Admiral Leahy's benefit.

I told Admiral Leahy that some months ago you had anticipated that the Bureau might be called upon to continue its intelligence coverage of the Western Hemisphere and in fact you had been requested to submit a proposed plan for FBI coverage of the entire world for intelligence purposes. Admiral Leahy was informed that you had drawn up a very comprehensive schedule which would encompass the utilization of some 650 agents at an annual cost of ten million dollars a year, but that these operations would be concealed within the regular operating budget of the FBI in such a way that there would never be any publicity or ill-advised disclosure of the FBI's intelligence operations. I stated that this program had not been accepted apparently by some Cabinet members and that when the CIG program was originally outlined, there was some consideration, particularly under Admiral Bouers, given to the possibility that the FBI would continue to operate in the Latin American field. I stated, however, that the recent CIG directives which had established an operating unit had been received by you on approximately July 1st, at which time you inquired of General Vandenberg whether he desired to take over Latin American coverage and you were informed by General Vandenberg that he did desire to take over this work. I told Admiral Leahy that in view of the General's desires, you issued instructions for the installation of a program which would insure the orderly transfer of the coverage of Latin American intelligence from the Bureau's SIS Division to the CIG. I stated in this regard, however, that while the Bureau was in the position at this point of being literally evicted from Latin America apparently because we were not good enough to carry on the intelligence there, we were placed at this time by the attitude of General Vandenberg and his associates in the incongruous position where our services were indispensable until May 15th or some other distant date when CIG would see fit to move into the Latin American countries. At this point

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Admiral Leahy interrupted to state that you should not consider that you were being evicted from Latin America or that the Bureau was not good enough to carry on this work. Admiral Leahy stated that the President and the other Cabinet members felt that the FBI had done an extraordinarily fine job in the intelligence field in Latin America. I attempted to make some expression of surprise at this point, but Admiral Leahy stated that the idea of establishing CIG and setting up a worldwide intelligence service separate and apart from the FBI or any other organization was the personal idea of the President. Admiral Leahy stated that Mr. Truman had consulted with a great many people about the necessity for a worldwide intelligence service, and had personally directed the establishment of the CIG under the National Intelligence Authority as it is presently set up. He stated that the President desired to relieve the FBI of all foreign intelligence responsibilities in order that it might concentrate its operations upon the discharge of its great domestic responsibilities. Admiral Leahy stated that the President was concerned about communism and looked to the FBI to cover it in the United States.

I told Admiral Leahy at this point that this was one of the factors that worried you, since communism is a worldwide movement and the Bureau cannot cover it adequately by discontinuing its operation or coverage at the American international boundaries. I told Admiral Leahy that you had observed that some of our best, most valuable and most significant information upon communist activities in the United States came from sources and informants in Mexico, in Cuba, Chile and Venezuela. I pointed out that communism is worldwide in its operations and cited briefly the facts in the Altschuler case, in which communists apparently outside the Western Hemisphere were through Mexico directing by secret ink writing letters addressed to New York the program for the release of the murderer of Trotsky in order that the communists in turn might murder this murderer to keep him from disclosing the communist principals involved in the original plot to murder Trotsky. I pointed out to Admiral Leahy that it is difficult for you to conceive how a picture of this kind can be adequately investigated, with one agency attempting to cover the Mexican angles and another agency covering the American aspects of the case.

I pointed out that in other investigations in the communist field, we are simultaneously investigating the same plot or group of individuals operating simultaneously upon the same program in a dozen Latin American countries. Admiral Leahy stated that he and the President were of the opinion that you could and should keep

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agents in any and all parts of the world which you deemed desirable for the purpose of facilitating the discharge of your domestic responsibilities. He stated that he assumed that you would desire to keep agents in Mexico, in Cuba and in other parts of the world which you deemed desirable, and that the President in establishing the CIG program understood that you would keep men on foreign assignment but solely for the purpose of aiding in the discharge of your domestic responsibilities. I pointed out to Admiral Leahy that there was bound to be conflicts, difficulties, lapses and duplication if the Bureau and the CIG were operating simultaneously in foreign countries, particularly in attempting to cover communist activities. I told the Admiral that actually you contemplated, when CIG took over, maintaining liaison posts on a police level in Mexico City (where you were able to apprehend as many as 50 fugitives, deserters and draft evaders from the United States a month), in Cuba and probably a few other foreign centers, but that these would be strictly police liaison men.

I pointed out to Admiral Leahy that you believed, and I stated that this was your personal observation for Admiral Leahy's information, that the CIG was definitely stalling in failing to take over the coverage of various countries. Before I could enlarge on this point, Admiral Leahy stated he had reached the same conclusion and that as soon as Vandenberg returned to the United States, he was going to insist that he expedite his action in assuming responsibility in the various countries. I pointed out to Admiral Leahy that in the meanwhile the Bureau's field service in the foreign posts know that they are to be relieved of their assignments and return to the United States and that naturally the interest, the enthusiasm, and the resulting efficiency of the men decreased materially. I pointed out to him that it is difficult for a man in a foreign country, who knows that he is to be relieved of his assignment, let us say, next May 15th, to continue to keep any intensity of interest in his present job. Admiral Leahy stated that this was certainly a logical and he well understood it. He stated he felt that CIG definitely should expedite the assumption of their responsibilities.

I told Admiral Leahy that when Mr. Roosevelt instructed you to install an intelligence coverage of the Latin American countries, you were not allowed any ninety, or sixty, or thirty day period, but were expected to establish overnight an efficient operating unit and

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that within 48 hours of the time that this responsibility was given to you, the Bureau had a number of efficient men actually en route to Latin American countries. I pointed out that in a relatively short time you had built up, during the intensity of war pressure, a coverage of Latin America of almost 600 Agents.

Admiral Leahy asked whether it was actually impossible for Vandenberg to secure the services of men for CIG operations and I told him that it definitely was not impossible although it might be difficult to secure ideal men but that they were going to be given more difficult problems than this and that if CIG couldn't overcome this difficulty, they certainly would soon bog down in the intelligence coverage. I pointed out to Admiral Leahy that General Vandenberg apparently has access to virtually hundreds of men in the War and Navy Departments who functioned in an intelligence capacity for Military and Naval Intelligence throughout the war, that he had absorbed a considerable section of OCS and that we understood that his headquarters staff at the present time was in excess of 90 people and that his personnel investigative division was handling more than 187 applicant cases a month. Admiral Leahy stated again that he thought General Vandenberg was stalling and that he believed that CIG should be called upon to take over on a much more expeditious basis.

I told Admiral Leahy that you did not desire to be arbitrary in this situation and to set dates for the assumption of responsibilities which would be impossible to meet but that you did feel, in the interest of coverage, that if General Vandenberg desired the Latin American field, he should assume the responsibility for covering it on a prompt basis since there was bound to be a decrease in the effectiveness of the Bureau's coverage due to the fact that our men know they are being withdrawn.

I told Admiral Leahy that while the Bureau personnel was not considered good enough apparently to continue its Latin American coverage, you were shocked to find that the people designated by General Vandenberg to work with the Bureau in outlining the program for CIG's taking over the Latin American work, were former Agents of the FBI who had

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deserted the Bureau service for personal reasons during the war and that the majority of these people were mediocre when in the Bureau service. I told Admiral Leahy that aside from the matter of the questionable ability of these people to replace the Bureau personnel in South America, it appeared as though General Vandenberg is attempting a personal affront to you in sending as his representatives men who were definitely persona non grata to the Bureau. Admiral Leahy stated that this was a disgraceful procedure and that he would most certainly admonish General Vandenberg for it.

I told Admiral Leahy that when you had been requested to draw up a plan for a worldwide intelligence service, you had outlined a program utilizing some 650 agents at a cost of about ten million dollars a year, with the appropriation carefully concealed in the Bureau's overall appropriation, and that it was a source of considerable shock to us to learn that General Vandenberg contemplated spending some twenty-two million dollars this year in the employment of 3,000 people. Admiral Leahy stated that while it has been reported to him that General Vandenberg is intelligent administrator, he definitely felt that someone had to "sit on General Vandenberg's head" occasionally and that he, Admiral Leahy, intended to dispel all of Vandenberg's grandiose ideas concerning which he, Leahy, said that he was already greatly worried.

I pointed out to Admiral Leahy that the various Ambassadors in the Central and South American countries had not been consulted about the replacement of FBI Agents by CIG Agents and that as a result the Ambassadors were barraging the State Department with telegrams of protest and that this made it difficult for our Agents to carry on because the Ambassadors were constantly desiring to confer about moves which they might make to keep the FBI in the Latin American countries and that you would not permit your Agents to participate in these plans because you did not want it felt that you were permitting any pressure or lobbying activities to be initiated in behalf of the FBI. Admiral Leahy stated that if such protests were being made from the Latin American Ambassadors Spruille Braden was "absorbing" these protests because the Secret of State did not know that the Ambassadors did not like the new program. He stated that he would go into this situation at once.

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I again pointed out to Admiral Leahy that it was preposterous for General Vandenberg to try and string out his assumption of responsibility until next May 15th as he had proposed to you and Admiral Leahy stated that he readily concurred. Admiral Leahy stated that as a matter of fact he did not like a number of aspects of this situation and that he was very glad that it had been possible for him to talk to a Bureau representative because he acquired a completely new picture of this situation.

I told Admiral Leahy that to recapitulate, I desire to point out that you were endeavoring to carry out the desires of the National Intelligence Authority, which you assumed had the President's support, but that you wanted the change-over made on an efficient and orderly basis with no stalling, but that at the same time you were not arbitrarily setting deadlines which would be impossible or impractical for CIG to meet. Admiral Leahy stated he fully understood and approved your position. He stated that he felt, in deference to the President's desire, that the CIG program would have to be tried but that as soon as General Vandenberg returned to the United States, he would definitely "sit on his head" and endeavor to completely clarify and reorganize this situation.

Admiral Leahy stated that he wanted you to feel free to consult with him further or to send a Bureau representative to consult with him with reference to this situation at any time that you desired.

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